

**DeMarco•Mitchell, PLLC**  
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**IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**Lone Star Logistics and Delivery, LLC**  
84-2917608  
5211 Spanish Oaks  
Frisco, TX 75034

**Debtor**

**Case No. 24-41357-R**

**Chapter 11**

**DEBTOR'S SUBCHAPTER V STATUS REPORT  
[11 U.S.C. § 1188(c)]**

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**TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:**

**COMES NOW** Lone Star Logistics and Delivery, LLC, Debtor and Debtor in possession in the above-styled and numbered Chapter 11 case (the “**Debtor**”) and, in accordance with the provisions of 11 U.S.C. §1188(c), files this *Debtor's Subchapter V Status Report* (the “**Report**”) and would respectfully show the Court as follows:

**I. BACKGROUND**

1. This case was commenced by the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code on June 7, 2024 (the “**Petition Date**”).

2. On that same date the Debtor filed its required schedules and statements along with all documents required by the provisions of 11 U.S.C. §1116 [Docket Entries No. 1, 3, 4 and 5].

3. One June 10, 2024, the Debtor filed its first day motions, seeking permission to utilize the cash collateral of various secured lenders and seeking permission to pay certain pre-petition wage and tax claims.

4. On June 10, 2024 the Office of the United States Trustee appointed Mark A. Weisbart as the SubChapter V Trustee (the “SubV Trustee”) for the case pursuant to 11 U.S.C. §1183 [Docket Entry No. 12].

5. On June 13, 2024 the Court conducted hearings on the Debtor’s first day motions. An interim order on the Debtor’s cash collateral motion, and a final order on the wage/tax motion, were entered thereafter [Docket Entries No. 22 and 19 respectively]. A second interim order on the Debtor’s cash collateral motion was entered on June 20, 2024 (Docket Entry No. 27).

6. On June 14, 2024 the Debtor filed its *Application for Order Authorizing Employment of DeMarco-Mitchell, PLLC as Counsel for the Debtor* [Docket Entry No. 21].

7. On July 2, 2024 the Debtor’s representative attended the required Initial Interview with the United States Trustee. The meeting of creditors required by 11 U.S.C. §362 is to be held on July 10, 2024.

8. Notice of the §1188(b) Status Conference was served by the Clerk of the Court on June 17, 2024 [Docket Entry No. 24].

9. This Status Report was timely filed on July 8, 2024 and copies of said report were served upon all parties in interest in the case on that same date.

## II. DEADLINES

10. Sections 1181-1195 of Title 11 of the United States Code ("SBRA") are intended to "streamline the process by which small business debtors reorganize and rehabilitate their financial affairs." Report of Committee on the Judiciary, House of Representatives, Report 116-171, 116th Cong., 1st Sess., on Small Business Reorganization Act of 2019, page 1. As such, there are certain deadlines that must be achieved, which deadlines may be extended only if "the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable." *See e.g.* 11 U.S.C. §§ 1188(b) (court status conference within 60 days of the petition date), 1188(c) (debtor shall file and serve a report on efforts undertaken to obtain a consensual plan 14 days prior to the § 1188(b) status conference), and 1189(b) (debtor shall file a plan within 90 days of the petition date).

11. The Court, in accord with the foregoing, selected an appropriate date for the required status conference and, as noted above, notice of the date and time of this status conference was provided by the Clerk of the Court on June 17, 2024 [Docket Entry No. 24].

12. The Section 1188 and 1189 dates and deadlines are as follows:

Debtor's Report:	July 9, 2024
Status Conference:	July 23, 2024
Plan filing deadline:	September 5, 2024

13. The deadlines for filing proofs of claim remain unaltered, have been established by this Court [Docket Entry No. 20], and are as follows:

Deadline for non-governmental entities:	August 16, 2024
Deadline for governmental entities:	December 4, 2024

### III. OFFER TO ACHIEVE CONSENSUAL PLAN OF REORGANIZATION

14. One of the objectives of SBRA is to facilitate a consensual plan of reorganization by and between the debtor and its creditors. This Report is filed and served upon all interested parties in an effort to achieve that goal.

### IV. PLAN PROPOSAL

15. The following is the Debtor's initial plan proposal for its creditors and is **subject to Federal Rule of Evidence 408**. For purposes of this proposal, the term "Allowed Secured Claim" is defined as a claim that is both allowed pursuant to the provisions of 11 U.S.C. §§502 and 506 in that it has not been objected to by the Debtor and is secured by property of the Debtor's bankruptcy estate.

#### **Summary of Proposed Plan Treatment**

##### **Unclassified Administrative Expense Claims:**

Type	Estimated Amount	Treatment
Subchapter V Trustee	\$3,500.00	\$1,000.00 initial deposit to be paid in July, 2024 with balance, estimated herein at \$2,500.00, to be paid upon, or within thirty (30) days of the Effective Date of the Plan.

##### **Priority Tax Claims:**

Description	Estimated Amount	Date Assessed	Treatment
Department of the Treasury – Internal Revenue Service	\$5,000.00	2 <sup>nd</sup> quarter 2024 (estimated)	Paid in full in the ordinary course of the business affairs of the Debtor.

**Secured Claims:**

<b><u>CLASS</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>IMPAIRED</u></b>	<b><u>METHOD OF PAYMENT</u></b>	<b><u>ESTIMATED ALLOWED SECURED CLAIM</u></b>	<b><u>ESTIMATED DISTRIBUTION</u></b>
Class 1A	Secured <i>Ad Valorem</i> Property Tax Claims  (Including, but not limited to, Collin County, the City of Frisco and the Frisco I.S.D.)	NO	Paid in the ordinary course of business prior to the state law delinquency date. The holders of Class 1 Claims shall retain the liens that secure all amounts ultimately owed for tax year 2020.	\$100.00	\$100.00
Class 1B	Secured Claims of Highland Hill Capital, LLC	YES	Paid in seventeen (17) equal monthly installments of \$7,000.00 each commencing July 15, 2024 with a final installment of \$5,626.20, due on December 15, 2025.	\$190,168.60 <sup>1</sup>	\$190,168.60
Class 1C	Secured Claim of Headway Capital, LLC	YES	Paid via monthly disbursements at an interest rate of 4.25% over a term of sixty (60) months from the Effective Date of the Plan.	\$66,976.60 <sup>2</sup>	\$74,463.00
Class 1D	Secured Claim of RDM Capital Funding, LLC, dba FinTap	YES	Secured portion of claim paid via monthly disbursements at an interest rate of 4.25% over a term of sixty (60) months from the Effective Date of the Plan.	\$11,289.27 <sup>3</sup>	\$12,551.40
Class 1E	Secured Claim of Ally Bank	YES	Paid via monthly disbursements at an interest rate of 9.54% over a term of sixty (60) months from the Effective	\$141,886.47	\$178,959.00

<sup>1</sup> Includes \$65,542.40 levied creditor on or about 6/13/24 pursuant to the Stipulation filed herein at Docket #18.

<sup>2</sup> Based upon the date of perfection of its security interest in receivables and equipment of the Debtor as of the Petition Date, Debtor asserts that Headway Capital, LLC is a fully secured creditor herein.

<sup>3</sup> Based upon the date of perfection of its security interest in receivables and accounts of the Debtor as of the Petition Date, Debtor asserts that RDM Capital Funding LLC, dba FinTap held a partially secured claim bifurcated as follows: \$11,289.27 secured claim and \$215,270.73 general unsecured claim.

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED ALLOWED SECURED CLAIM</u>	<u>ESTIMATED DISTRIBUTION</u>
			Date of the Plan.		
Class 1F	Secured Claim of AmeriCredit Financial Services, Inc. (6155)	YES	Paid via monthly disbursements at an interest rate of 7.68% over a term of sixty (60) months from the Effective Date of the Plan.	\$31,692.15	\$38,265.60
Class 1G	Secured Claim of AmeriCredit Financial Services, Inc. (9682)	YES	Paid via monthly disbursements at an interest rate of 12.830% over a term of sixty (60) months from the Effective Date of the Plan.	\$122,447.27	\$166,524.60

**Priority Unsecured Claims (Non-Tax):**

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED TOTAL CLAIMS</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 2	All Allowed Claims entitled to priority under § 507(a) of the Bankruptcy Code (except administrative expense claims under § 507(a)(2) and priority tax claims under § 507(a)(8)).	NO	N/A – no claims expected to be filed in this class	N/A	N/A

**General Unsecured Claims:**

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED TOTAL CLAIMS</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 3	All Non-priority General Unsecured Claims Allowed Under §502 of the Bankruptcy Code	YES	Pro Rata distribution from unsecured creditor pool over a total term of 60 months from the effective date, commencing in month 18 of the Plan.	Estimated @ \$321,733.35	100%

**Equity Interests of the Debtor:**

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED TOTAL CLAIMS</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 4	Equity Interests of the Debtor	NO	The holders of Allowed Class 4 Interests shall retain his/her/their interests in the Reorganized Debtor.	N/A	N/A

**V. PRACTICAL CONSIDERATIONS**

16. As noted above, the Debtor has an obligation due and owing to Highland Hill Capital, LLC which will necessitate a monthly payment of approximately \$7,000.00 per month both pre-confirmation and continuing thereafter for several months post-confirmation.

17. However, based upon the Debtor's cash flow and projections, the Debtor believes that there will be a substantial distribution made to the unsecured creditor class. In fact, that distribution will likely be 100%. The Debtor will of course contribute its disposable income (as that term is defined in 11 U.S.C. § 1191(d)(2)) to the unsecured creditor class.

**VI. CONCLUSION**

The Debtor is asking you to consider the foregoing proposal and provide feedback in order to facilitate the confirmation of a consensual plan. As referenced above, a status conference on this matter is scheduled for **Tuesday, July 23, 2024 at 10:00 a.m. CST**. As such, the Debtor requests your input, if any, no later than close of business on **Friday July 19, 2024**.

Respectfully submitted,

Dated: July 8, 2024

*/s/ Michael S. Mitchell*

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**DeMarco•Mitchell, PLLC**

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**Proposed Counsel for Debtor and Debtor in Possession**



**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that true and correct copies of the foregoing pleading and all attachments were served upon all parties listed below, and upon all parties listed upon the attached mailing matrix, in accordance with applicable rules of bankruptcy procedure on this 8<sup>th</sup> day of July, 2024. Where possible, service was made electronically via the Court's ECF noticing system or via facsimile transmission where a facsimile number is set forth below. Where such electronic service was not possible, service was made via regular first-class mail.

**DEBTOR**

Lone Star Logistics and Delivery, LLC  
5211 Spanish Oaks  
Frisco, TX 75034

**TRUSTEES**

Office of the United States Trustee  
110 N. College Avenue, Suite 300  
Tyler, TX 75702  
[ustpreion06.ty.ecf@usdoj.gov](mailto:ustpreion06.ty.ecf@usdoj.gov)

John Vardeman  
Office of the United States Trustee  
110 N. College Avenue, Suite 300  
Tyler, TX 75702  
[John.m.vardeman@usdoj.gov](mailto:John.m.vardeman@usdoj.gov)

Mark A. Weisbart  
SubChapter V Trustee  
10501 N. Central Expressway, Suite 106  
Dallas, TX 75231  
[mweisbart@haywardfirm.com](mailto:mweisbart@haywardfirm.com)

**ADDITIONAL PARTIES IN INTEREST AND/OR PARTIES REQUESTING NOTICE**

Highland Hill Capital  
C/O Shanna Kaminski  
Kaminski Law, PLLC  
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Grass Lake, MI 49240  
[skaminski@kaminskilawpllc.com](mailto:skaminski@kaminskilawpllc.com)

National Funding  
C/O Robert Zahradka  
4380 La Jolla Village Drive  
San Diego, CA 92122  
[rzahradka@nationalfunding.com](mailto:rzahradka@nationalfunding.com)

Headway Capital, LLC  
Attn: Bankruptcy Notice  
175 W. Jackson Blvd., Suite 1000  
Chicago, IL 60604  
[support@headwaycapital.com](mailto:support@headwaycapital.com)

RDM Capital Funding, LLC, d/b/a FinTap  
777 Passaic Ave., Suite 375  
Clifton, NJ 07012

RDM Capital Funding, LLC, d/b/a FinTap  
C/O AWN&R Commercial Law Group, PLLC  
Attn: Jeffrey Parrella, Esq.  
14 Wall Street, 20th Floor  
New York, NY 10005

Ally Bank  
C/O AIS Portfolio Services, LLC  
4515 N. Santa Fe Ave., Dept. APS  
Oklahoma City, OK 73118  
Attn: Ally Bank Department  
[ecfnotices@aisinfo.com](mailto:ecfnotices@aisinfo.com)

RDM Capital Funding, LLC, d/b/a FinTap  
C/O Ekrem Hajra  
Advanced Recovery Group  
30 Two Bridges Road, Suite 100  
Fairfield, NJ 07004  
[ehajra@advancedrecoverygroup.com](mailto:ehajra@advancedrecoverygroup.com)

*/s/ Michael S. Mitchell*

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Label Matrix for local noticing

0540-4

Case 24-41357

Eastern District of Texas

Sherman

Mon Jul 8 07:19:00 CDT 2024

Ally Bank c/o AIS Portfolio Services, LLC

4515 N Santa Fe Ave. Dept. APS

Oklahoma City, OK 73118-7901

Amazon Logistics, Inc.

Attn: General Counsel

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Seattle, WA 98108-1300

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c/o David Fogel, Esq.

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C/O Perdue, Brandon et al

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(p)HEADWAY CAPITAL

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CHICAGO IL 60604-2863

Human Interest, Inc.

Attn: William Crabill

2675 W. 600 N. Suite 200

Lindon, UT 84042-1262

Shanna M. Kaminski

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P.O. Box 247

Grass Lake, MI 49240-0247

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Attn: Jeffrey Parrella, Esq.

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New York, NY 10005-2123

Ally Financial

PO Box 380901

Bloomington, MN 55438-0901

AmeriCredit Financial Services, Inc. dba GM

P O Box 183853

Arlington, TX 76096-3853

CSC, As Representative

PO Box 2576

Springfield, IL 62708-2576

Comptroller of Public Accounts

Austin, TX 78774-0100

111 E. 17th Street 78774-0100

Davis Wright Tremaine, LLP

Attn: Alex Rivera

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Seattle, WA 98104-1610

G M Financial

801 Cherry Street Suite 3600

Fort Worth, TX 76102-6855

Headway Capital, LLC

C/O National Registered Agents, Inc.

1999 Bryan Street Suite 900

Dallas, TX 75201-3140

Internal Revenue Service

Central Insolvency Operations

PO Box 7346

Philadelphia, PA 19101-7346

Linebarger, Goggan, Blair &amp; Sampson, LLP

2777 N Stemmons Fwy Ste 1000

Dallas, TX 75207-2328

Advanced Recovery Group

Attn: Ekrem Hajra

30 Two Bridges Road Suite 100

Fairfield, NJ 07004-1546

Amazon Logistics, Inc.

Attn: Director, Amazon Logistics

PO Box 81226

Seattle, WA 98108-1300

Blackmire Realty Inv. Florida, LLC

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Frisco, TX 75034-5107

Capital One

PO Box 60519

City of Industry, CA 91716-0519

Corporation Service Company, As Rep.

Po Box 2576

Springfield, IL 62708-2576

Denton County Tax Assessor/Collector

1505 E. McKinney Street

Denton, TX 76209-4525

GM Financial

801 Cherry Street

Suite 3600

Fort Worth, TX 76102-6855

Highland Hill Capital LLC

1100 Park Central Blvd. S. Suite 1200

Pompano Beach, FL 33064-2211

Internal Revenue Service

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Philadelphia, PA 19101-7346

Lone Star Logistics and Delivery, LLC

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San Diego, CA 92122-1200

National Funding, Inc.  
Robert Zahradka, Esq.  
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San Diego, CA 92122-1200

National Funding, Inc.  
4380 La Jolla Village Drive  
San Diego, CA 92122-1200

(p)NATIONAL FUNDING  
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SAN DIEGO CA 92121-1981

National Funding, Inc.  
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San Diego, CA 92121-1912

RDM Capital Funding, LLC  
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Clifton, NJ 07012-1875

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TEC Building - Bankruptcy  
101 E 15th St  
Austin, TX 78778-1442

The Tax Planning Pros  
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Frisco, TX 75034-2066

U.S. Attorney General  
Department of Justice  
Main Justice Building  
10th & Constitution Ave., NW  
Washington, DC 20530-0001

U.S. Securities and Exchange Commission  
801 Cherry Street Suite 1900, Unit 18  
Fort Worth, TX 76102-6819

US Trustee  
Office of the U.S. Trustee  
110 N. College Ave.  
Suite 300  
Tyler, TX 75702-7231

United States Attorney's Office  
110 N. College Avenue Suite 700  
Tyler, TX 75702-0204

United States Trustee  
110 North College Ave. Room 300  
Tyler, TX 75702-7231

John M. Vardeman  
UST Office  
110 N. College St., Suite 300  
Tyler, TX 75702-7231

Mark A WEISBART (SBRA V)  
Subchapter V Trustee  
10501 N Central Expy Suite 106  
Dallas, TX 75231-2203

Wheels  
Formerly Lease Plan USA Inc.  
PO Box 978763  
Dallas, TX 75397-8763

Xcelerate  
Formerly Element Fleet  
9350 Excelsior Blvd. Suite 400  
Hopkins, MN 55343-0095

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

City of Frisco  
6101 Frisco Square Blvd.  
Frisco, TX 75034

Headway Capital, LLC  
Attn: Bankruptcy Notice  
175 W. Jackson Blvd. Suite 1000  
Chicago, IL 60604

National Funding, Inc.  
9530 Towne Centre Drive Suite 120  
San Diego, CA 92121

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Ally Bank c/o AIS Portfolio Services, LLC  
4515 N. Santa Fe Ave. Dept. APS  
Oklahoma City, OK 73118-7901

(d)AmeriCredit Financial Services, Inc. dba G  
P O Box 183853  
Arlington, TX 76096-3853

(d)Capital One  
PO Box 60519  
City of Industry, CA 91716-0519

(d)GM Financial

801 Cherry Street Suite 3600

Fort Worth, TX 76102-6855

(u)Highland Hill Capital, LLC

Document Page 13 of 13

(d)RDM Capital Funding, LLC

D/B/A FinTap

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Clifton, NJ 07012-1875

End of Label Matrix

Mailable recipients 47

Bypassed recipients 6

Total 53